


2012 REGULAR SESSION  
ACTUARIAL NOTE SB 2

<b>Senate Bill 2 SLS 12RS-90 Enrolled</b>  <b>Author: Senator Elbert L. Guillory</b> <b>Date: May 17, 2012</b>  <b>LLA Note SB 2.03</b>  <b>Organizations Affected:</b> <b>State and Statewide Retirement Systems</b>  <b>EN NO IMPACT APV</b>	<b>The Note was prepared by the Actuarial Services Department of the Office of the Legislative Auditor.</b>   <b>Paul T. Richmond, ASA, MAAA, EA</b> <b>Manager Actuarial Services</b>
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**Bill Header:** RETIREMENT SYSTEMS. Provides for attendance of legislative staff at certain executive sessions of public retirement boards. (gov sig)

**Cost Summary:**

Actuarial Cost/(Savings) to Retirement Systems and OGB	\$0
Total Five Year Fiscal Cost	
Expenditures	\$0
Revenues	\$0

**Estimated Actuarial Impact:**

The chart below shows the estimated increase/(decrease) in the actuarial value of benefits, if any, attributable to the proposed legislation. Note: it includes the present value cost of fiscal costs associated with benefit changes. It does **not** include present value costs associated with administration or other fiscal concerns.

	<b><u>Increase (Decrease) in</u></b> <b><u>The Actuarial Present Value</u></b>
<b><u>Actuarial Cost (Savings) to:</u></b>	
All Louisiana Public Retirement Systems	\$0
Other Post Retirement Benefits	\$0
Total	\$0

**Estimated Fiscal Impact:**

The chart below shows the estimated fiscal impact of the proposed legislation. This represents the effect on cash flows for government entities including the retirement systems and the Office of Group Benefits.

EXPENDITURES	2012-13	2013-14	2014-15	2015-16	2016-2017	5 Year Total
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Agy Self Generated	0	0	0	0	0	0
Stat Deds/Other	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Local Funds	0	0	0	0	0	0
Annual Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

REVENUES	2012-13	2013-14	2014-15	2015-16	2016-2017	5 Year Total
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Agy Self Generated	0	0	0	0	0	0
Stat Deds/Other	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Local Funds	0	0	0	0	0	0
Annual Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

**Bill Information:**

**Current Law**

Under current law, the chairmen of the House and Senate retirement committees serve as ex-officio members of the boards of trustees of the state and statewide retirement systems. The chairmen frequently ask members of legislative staff to attend these meetings in their stead and to provide summaries of such meetings independent of the formal minutes prepared by the retirement

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systems. Members of legislative staff are not allowed to vote at these meetings; nor are they allowed to attend executive sessions held to discuss business matters conducted outside of public view as permitted under freedom of information rules.

Proposed Law

SB 2 will permit members of legislative staff, as designated by the retirement committee chairmen, to attend executive sessions of the retirement systems. The following rules must be followed:

- 1. The designations shall be made in writing to the director of each retirement system, specifically identifying the legislative staff member or members authorized to represent the chairmen.
2. The chairmen may revoke or modify their written designations at any time by providing a revocation or a new authorization.
3. All authorizations shall remain in force for one year or until revoked by the chairmen if earlier.

Legislative staff members are authorized to attend such meetings, but are not allowed to vote. All the same rights, duties, and privileges which apply to the chairmen, including the attorney-client privilege, also apply to the authorized legislative staff.

Implications of the Proposed Changes

SB 2 will provide the chairmen of the House and Senate retirement committees with access to information discussed in executive session.

Cost Analysis:

Analysis of Actuarial Costs

Retirement Systems

There are no actuarial costs associated with this bill for the retirement systems.

Other Post Retirement Benefits

There are no actuarial costs associated with this bill for the post-retirement benefits other than pensions.

Analysis of Fiscal Costs

The following retirement systems reported no additional administrative costs associated with SB 2 – LASERS, TRSL, LSERS, STPOL, CCRS, and PERS; neither should any additional administrative expense be incurred by any of the other retirement systems.

Actuarial Credentials:

Paul T. Richmond is the Manager of Actuarial Services for the Louisiana Legislative Auditor. He is an Enrolled Actuary, a member of the American Academy of Actuaries, a member of the Society of Actuaries and has met the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinion contained herein.

Dual Referral:

Table with 2 columns: Senate and House. Rows include fiscal cost and tax/fee change thresholds for various legislative items.